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Cases of Note -- Copyright: Open Source Software for Your HO-Gauge Fantasy World

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LEGAL ISSUES

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Cases of Note — Copyright: Open Source Software for Your HO-Gauge Fantasy World

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Robert Jacobsen v. Matthew Katzer, United States court of Appeals for the Federal Circuit, 2008 U.S. App. LEXIS 171611 (2008)

Model Trains Are Alive and Well

Robert Jacobsen holds copyright to a computer programming code for running model trains. He makes it available free for public download. His offer is pursuant to **Artistic License**, which is commonly called "open source."

Matthew Katzer is also in the business of designing software for the model train industry. **Jacobsen** says they used his software in their packages without following the **Artistic License**. And of course **Jacobsen** sued.

The **District Court** held that open source **Artistic License** is both intentionally broad and unlimited in scope, as to not create liability under copyright law. The appellate court reversed. Let's see why.

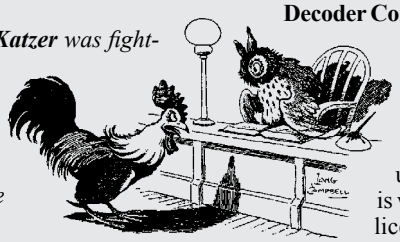
Open Source Litigation

Jacobsen manages an open source group called **Java Model Railroad Interface (JMRI)**. Many participants collectively created a computer programming application (**DecoderPro**), which allows model railroad fanatics to do something or other with controlling their trains. Anyone can download these magic RR files subject to the terms of the **Artistic License** and either run a model railroad or alter the program.

Katzer has a competing software product called **Decoder Commander**. **Jacobsen** says **Katzer** used and altered **DecoderPro** software without following the terms of the license, to wit: include authors' names, **JMRI** copyright notices, identification of the source and description of how the code was changed.

The **District Court** held the only cause of action was for breach of artistic license, not copyright.

*It's hard to tell why **Katzer** was fighting this, but methinks he was trying to get it out of the statutory damages of copyright law and into contract law where the damages would be negligible to none.*



So What's This Open Source Thingy?

Authors, artists, educators, scientists and software developers often create collaborative projects and give their work to the public. Public licenses have been designed to protect and control copyright as all these folks fiddle with the original work. Open source licensing has exploded in use in recent years.

Public licenses support **GNU/Linux**, **Perl** programming language, **Apache** Web server programs, **Firefox** Web browser and the much-used-by-college-slackers, *Wikipedia* encyclopedia. Estimates of works licensed under such agreements go to 100,000,000. **Wikimedia Foundation** alone has 75,000 collaborators and nine million articles in 250 languages.

Open source projects invite folks around the world to make improvements in software, writing programs and debugging them far faster than if one copyright holder did it all. In exchange for the help, the copyright owner permits others to continue to copy and modify as long as the work is kept accessible to future users. Users must restate the license and attribution information so each new user can keep up with it all.

No money changes hands, but there is economic consideration in the swap. Market share can be generated by providing some program components free of charge. A company can increase its reputation by doing open source projects. The profit may not be immediate, but there are economic motives involved. *See **Planetary Motion, Inc. v. Techsplosion, Inc.**,* 261 F.3d 1188, 1200 (11th Cir. 2001) (programmer increased his professional recognition by multiplying end-users).

Copyright or License? Which Is It?

Jacobsen unquestionably holds copyright for the stuff distributed via his Website. **Katzer** admitted that **DecoderPro** software was used in **Decoder Commander**. Hence, **Jacobsen** has a prima-facie copyright infringement case.

But **Katzer** says he can't be liable under copyright because he had a license to use the material. So the issue is whether the use is outside the license. *See **LGS Architects, Inc. v. Concordia Homes of Nev.**,* 434 F.3d 1150, at 1556 (9th Cir. 2006).

Typically in an open source agreement, the copyright owner, by granting a nonexclusive right to use his material, waives his right to sue for copyright infringement. The action is one for breach of contract. ***Sun Microsystems, Inc., v. Microsoft Corp.***, 188 F.3d 1115, 1121 (9th Cir. 1999). Should the license be limited in scope, and someone goes outside that scope, then an action for copyright infringement may be brought. *See **S.O.S., Inc. v. Payday, Inc.**,* 886 F.2d 1081, 1087 (9th Cir. 1989).

*The court asks whether the terms breached are conditions or merely covenants without bothering to explain the difference. **Covenants** are what you agree to do when you accept the license. Violate those, and you are in breach of contract.*

***Conditions** must be satisfied before you have the license. Thus, without those, you are infringing on someone's copyright.*

The **District Court** treated the license limitations as covenants, allowing only a breach of contract action. **Jacobsen** argued that the terms of the license define its scope and any use outside that scope are a violation of copyright.

Katzer argued that **Jacobsen's** copyright brought him no economic rights because he made it free to the public. Copyright law does not allow a suit for non-economic rights. ***Gilliam v. ABC***, 538 F.2d 14, 20-21 (2d Cir. 1976) (copyright law seeks to vindicate economic rather than personal or moral rights of the author). Hence, **Jacobsen** cannot sue for copyright infringement.

But this would seem to ignore the fact that if I allow you to freely improve my program, I have a more valuable program if only for my own use. And my electric trains will be able to do some really cool stuff. Woo-woo.

What Did the License Say?

The license used the word "conditions" as well as the language of conditions in stating that the right to copy, modify and distribute are granted "provided that" conditions are met. *See, e.g., **Diepenbrock v. Luiz**,* 159 Cal. 716, 115 P. 743 (1911).

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Questions & Answers — Copyright Column

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QUESTION: A hospital parent company has acquired electronic access to full-text medical journals from Ovid, MD Consult, etc., for employees and physicians on the medical staff of the hospitals. The library has purchased print copies of many of the same journals from the publishers. It often receives a request from a physician for copies of articles, sometimes two to three per issue from these journal titles. (1) Does the license agreement for electronic access to the journal trump the statute that restricts the library to providing only one article per journal issue to that physician? (2) If the physician (or a member of his/her staff) infringes copyright, who is liable?

ANSWER: (1) Yes. An employee covered by the license agreement prints the articles from the electronic version, is bound by the terms of the license agreement, and most such licenses do not contain a restriction about the number of articles per issue. The section 108(d) exception has the "one article per issue to a user" restriction on a library for reproduction and distribution because it covers instances when there is neither permission nor a license from the publisher.

(2) The hospital is liable because of agency law since the physician is an employee. However, if the license does not restrict the number of articles per issue that can be printed, then there is no problem. If it does, then the licensee institution is liable and not the individual doctor. The institution could then take disciplinary action against the individual infringer, of course.

QUESTION: Are student works submitted for courses considered to be owned by the institution that is awarding course credit? If not would a blanket policy on reproduction of student works by the college published in the college catalog substitute for individual language to that effect in each course syllabus?

ANSWER: The student is the author and the student owns the copyright in works they create for courses. The fact that the institution is awarding credit is immaterial. If the institution wants to own the copyrights, it would have to get written transfers from each of the students. A policy that permits the institution to reproduce student works does not affect copyright ownership but is instead in the nature of a license. Publishing a policy in the catalog likely would suffice to give the institution permission to reproduce the work but may not cover making the work available electronically since the **U.S Supreme Court** in ***New York Times v. Tasini***, 533 U.S. 483 (2001), held that electronic rights must be specifically transferred.

QUESTION: In developing a copyright checklist for faculty at a state university, the library has questions about the TEACH Act. What do the following mean? (1) "The following are not an infringement of copyright except with respect to a work produced or marketed for performance or display as a part of mediated instructional activities transmitted via digital networks." The sole market for these works is online distance education. (2) "Does not engage in conduct that could reasonably be expected to interfere with technological measures used by copyright owners to prevent such retention or unauthorized further dissemination."

ANSWER: (1) This refers to modules developed for digital distance education that were created specifically for such courses. It is a very small category of materials to date but may increase in numbers and importance over time. (2) This means that the institution is not permitted to decrypt DVDs or circumvent any technological protections that the copyright owner places on the work.

QUESTION: If a library is connected by CAT5 to classrooms in other buildings on campus and sends audiovisual content purchased by the library to the classrooms, is that a violation of law? This is the same content that the library currently offers to faculty members to check out in order to show to classes as a part of instruction using audiovisual equipment in the classroom.

ANSWER: This is a place where the technology quickly got ahead of the copyright law. In 1976 when the ***Copyright Act*** was passed, it was thought that if a nonprofit educational institution transmitted a film within the same building, it still qualified for the section 110(1) exception that permits showing films face-to-face in the course of instruction. Then schools quickly moved to systems for transmitting films from a central location within a school to other buildings in the school. In the early 1980s, this was thought to be infringement. However, so many schools have adopted this technology today that has almost become a standard.

There seems to be little complaint from the **Motion Picture Association of America** about use of this technology as opposed to placing films on a Website or transmitting them without a license in an online course. Perhaps this is because there is no way to download or upload the film from sending the content to another building as opposed to other technologies.

QUESTION: A faculty member wants to use one graph from an article available in electronic format in the New England Journal of Medicine in a PowerPoint presentation at a national conference. Does he need to get permission, especially since there is the possibility that the PowerPoint presentation might be put on the national organization conference Website or that a CD might be made of all presentations? Do the Fair Use Guidelines for Educational Multimedia help?

ANSWER: These guidelines did not enjoy wide adoption and certainly do not have the same stamp of **Congress** as do some of the other guidelines. One certainly could argue displaying live to an audience at a national conference of educators is fair use, but it certainly would be prudent to seek permission if the chart is likely to be reproduced on the conference Website or in multiple copies on CDs distributed to participants. Another alternative would be for the faculty member to display the chart in the live presentation but simply to include a link to the chart on the slide that is reproduced on the Website and on the CDs.

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The conditions are necessary for **Jacobsen** to retain the ability to benefit from future modifications by others. By requiring the reference to the original source, future users know of the collaborative effort.

Which seems to be saying that anyone who encountered ***Defender Commander*** *without knowing part of it was open source would not modify and improve the* ***DefenderPro*** *part of the program. And* ***DefenderPro*** *would not benefit from their added efforts.*

The owner of a copyright may grant the right to make some changes while prohibiting others. Anyone who downloads **DefenderPro** may make modifications "provided that" he follows the license in identifying the source and the changes he made. The **DefenderPro** license requires that any copies distributed contain the copyright notice. *See, e.g.,* 3-10 ***Nimmer on Copyright*** § 10.15 ("An express (or possibly an implied) condition that a licensee must affix a proper copyright notice to all copies of the work that he causes to be published will render a publication devoid of such notice without authority from the licensor and therefore, an infringing act.").

The **Artistic License** required anyone modifying and distributing the copyrighted materials to attach a copyright notice and tracking of modifications. Any downloader who disagreed with the condition was instructed to "make other arrangements with the Copyright Holder." **Katzer** did not make "other arrangements."

The conditions governed the right to modify and distribute the program and were intended to drive downstream traffic to the open source origin. **Jacobsen** thus gains creative collaboration, learns of new uses of his software, and gains ideas for future software. This is an economic benefit which the law of copyright protects.